

Bangla-Iran chamber needed to boost trade

Visiting Iranian commerce minister tells FBCCI meet

STAR BUSINESS REPORT

The visiting Iranian commerce minister yesterday called for setting up a Bangladesh-Iran joint chamber of commerce and industry to expand bilateral trade.

"A joint chamber of commerce and industry between Bangladesh and Iran should be established immediately," Commerce Minister of Iran Mohammad Shariatmadari said.

He also called for establishing a joint economic council to strengthen the economic relationship between the two brotherly Muslim countries.

He made the plea while addressing a meeting with the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in

Dhaka with FBCCI President Abdul Awal Mintoo in the chair.

Echoing Iranian minister, FBCCI president said, "A joint chamber of commerce and industry between the two countries will be set up within next one month."

Shariatmadari arrived here yesterday morning on a three-day official visit to sign a bilateral trade agreement today. "As we met the prime minister and commerce minister of Bangladesh today [yesterday], we are hoping to settle some important issues relating to trade and business promotion including Bangladesh-Iran bilateral trade agreement and free trade agreement," Shariatmadari told the meeting.

Speaking at the function, the

FBCCI chief said the volume of trade between Bangladesh and Iran does not reflect the full potential that exists in both the countries.

The material resources of Iran and skilled manpower of Bangladesh can help each other," Mintoo said.

Urging the Iranian entrepreneurs to invest here, he said Bangladeshi entrepreneurs are looking for joint ventures with their Iranian counterparts in cement, oil refinery, petrochemicals, leather products, ceramic wares and engineering industries.

Later, the Iranian delegation also met the leaders of Dhaka Chamber of Commerce and Industry (DCCI) at its auditorium in the evening to exchange views on how both the

countries can expand and deepen bilateral trade, investment and economic co-operation.

Speaking at the function, DCCI President Sayeeful Islam also urged the Iranian entrepreneurs to invest in Bangladesh either with cent percent ownership or in joint ventures in textile and backward linkage industries, leather and leather goods sectors, agro-based industries and light engineering industries.

In 2003-04, Bangladesh exported goods worth US\$34.82 million to Iran and imported goods worth \$19.45 million.

Working condition in RMG units not satisfactory

Roundtable told

STAR BUSINESS REPORT

The working condition in Bangladesh's readymade garment units is not satisfactory, speakers at a roundtable said yesterday.

The discussants also stressed the need for creating awareness about labour standards among stakeholders for the benefit of the RMG sector.

The roundtable was jointly organised by German Technical Cooperation (GTZ) and German Retailers Association (AVE) in Dhaka to discuss working condition in the apparel sector.

Union leaders, buyers, suppliers, RMG manufacturers and NGOs participated in the roundtable.

Coordinator of GTZ Konstanze Ricken told journalists that the roundtable was aimed at improving the implementation of social and ecological standards in the RMG industry.

Lorenz Berzau of AVE was present as chief guest at the roundtable. Ranjit Kumar Biswas, deputy secretary of the Ministry of Labour, Abdus Samad Azad of BKMEA, BGMEA Director Lutfur Rahman, Editor of the Financial Express Moazzem Hossain, among others, were present at the programme.



PHOTO: STAR
An 11-member Chinese trade delegation met leaders of Metropolitan Chamber of Commerce and Industry (MCCI) in Dhaka yesterday. Wang Chao, first vice-governor of Dehong Dai and Jingpo autonomous prefecture of Yunnan province of China, led the Chinese trade team. MCCI President Kutubuddin Ahmed was also present.

Asia Energy appoints Impact its PR agency in Bangladesh

Asia Energy Corporation (Bangladesh) Pty Ltd yesterday appointed Impact PR its official public relations agency in Bangladesh.

Brian Mooney, head of corporate affairs of Asia Energy, and M Shamsur Rahman, chief executive officer of Impact PR, signed an agreement to this effect in Dhaka, says a press release.

Gary Lye, CEO of Asia Energy Bangladesh, and Aftab ul Islam, chairman of Impact PR, were also present during the signing ceremony.

Under the agreement, Impact PR will offer public relations services to Asia Energy Corporation.

Asia Energy now is developing a 15 million tonnes per year open pit coal mine at Phulbari in the north-western part of Bangladesh. Asia Energy hopes to start mining in 2007.

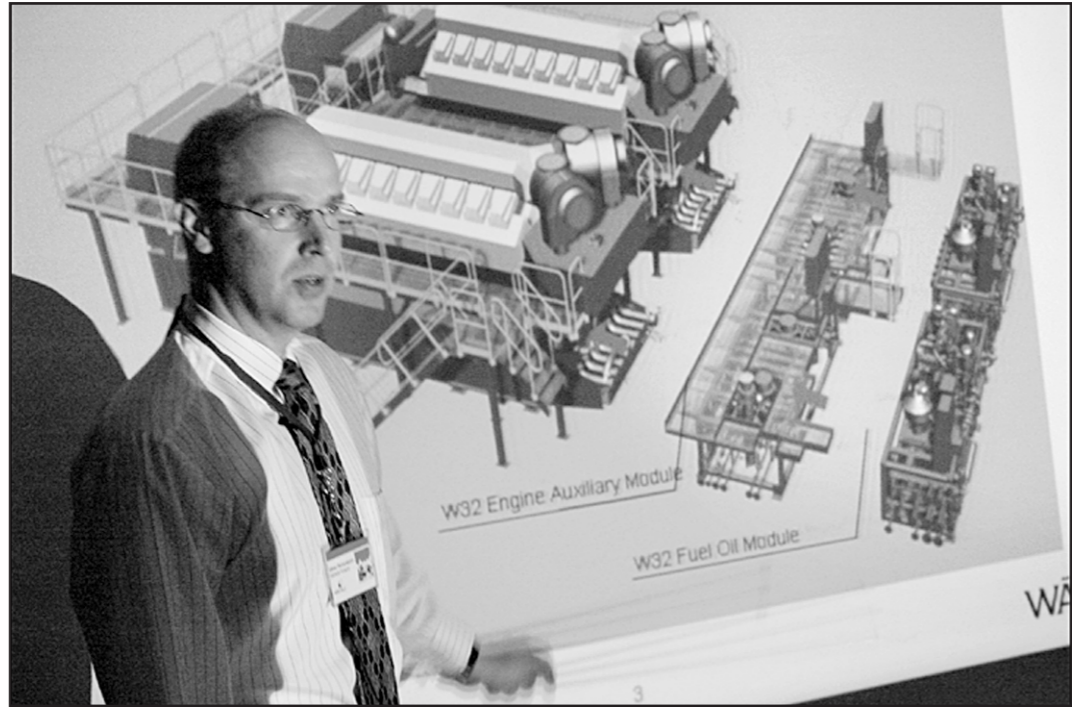


PHOTO: STAR
Hans Eriksson, managing director of Wartsila Bangladesh Limited, a fully owned network company of Wartsila Corporation, Finland, presents a demonstration at a seminar titled "Wartsila Gas Engines" in Dhaka yesterday.

Energy producers urged to use cost-effective plants

Wartsila seminar held

STAR BUSINESS REPORT

Experts at a seminar yesterday urged Bangladeshi energy producers to use cost-effective and energy-saving power plants like Wartsila's power generating plants.

They were speaking at a seminar titled "Wartsila Gas Engines" organised by Helsinki-based power plant manufacturer Wartsila Finland Oy in Dhaka.

Hans Eriksson, managing director of Wartsila Bangladesh Limited, and Goran Richardsson, area sales manager of Power Plants, South Asia, presented two separate demonstrations on power plant market analysis and trends and gas engine power plant solutions.

The aim of the seminar was to give Wartsila customers an opportunity to learn directly from Wartsila experts about features of Wartsila gas engine plants. Executives and senior managers

from the country's power sector also attended the seminar.

Eriksson, describing the main activities of Wartsila Bangladesh said, "We are here to facilitate the sale of Wartsila power plants in Bangladesh to provide supporting services for customers, including round the clock after sales services, operation and maintenance (O&M) agreements, O&M support agreement, supply of spare parts, upgrades, technical advice and training."

He said, "The field service team members are trained from one month to one year in our factory in Finland and are very skilled in their respective fields".

They are serving not only local customers but also Wartsila customers in India, Sri Lanka, Myanmar and Indonesia, he added.

The personnel in spare parts department are also trained in the

respective department in Finland, he mentioned.

"They are equipped with state-of-the-art logistic tools like 24-hour online access to our global hubs that enable them to instantly order processing and tracking," Eriksson said.

Eriksson said his company has set up three power plants including Khulna Power Company Limited with 123 MW capacity, Lafarge Surma Energy Limited at Chhatak with 30 MW capacity and Heidelberg Cement power plant in Chittagong with 7 MW. The company has also supplied several other small plants to different companies.

Wartsila Bangladesh, a fully owned network company of Wartsila Corporation, Finland, which was locally incorporated in 1998 within the legal framework of Bangladesh, has 136 employees.

BenQ faces uphill task to make Siemens phone unit profitable

AFP, Taipei

Taiwan's BenQ Corp faces a formidable challenge to turn around Siemens' mobile phone handset business, where continued heavy losses finally led the German electronics and engineering group to call it a day, analysts said Wednesday.

They said the logic for the deal for both parties is simple enough in that Siemens is desperate to get rid of a seemingly never-ending cash drain while BenQ, one of Taiwan's major electronics firms, is eager to expand its presence in Europe and the rest of the world.

BenQ, however, will have to cut operating costs before it can make money and that could be difficult given it will not have a free hand to curtail production or lay off workers in Germany.

Under an agreement announced Tuesday, BenQ will sell a 2.5 percent stake to Siemens for 50 million euros and secure another 250 million euros from the German group to support the future of the business.

BenQ will take over handset business in the course of Siemens' fiscal fourth quarter, which runs through September 30. It will have the right to use the Siemens brand for five years and the mobile phone business will be headquartered in Munich.

Siemens' mobile handset operations lost 138 million euros in the quarter ended March, bringing its total operating loss in the last four quarters to 510 million euros.

EU defends Airbus aid in US air row

AFP, Brussels

The European Union's executive commission said Wednesday that there was no reason for EU members to give up launch aid to Airbus, in a growing trade war with the US over subsidies to aircraft makers.

The reiteration of Brussels' position came after Washington decided to bring the long-simmering dispute to the World Trade Organisation last month, prompting a tit-for-tat action from the EU in return.

"There will be no unilateral termination of launch aid" given by EU member states to Airbus, said Claude Veron-Reville, spokeswoman for EU trade commissioner Peter Mandelson.

She declined to comment on a letter, cited by the Wall Street Journal, in which Airbus' parent company EADS said it was "prepared to terminate the current practice of government supported launch" aid, if the EU and US struck a deal on indirect aid to their rival aircraft makers.

"No public statements or letters which we have received (from EADS) have made reference to a commitment to freeze launch aid for the A350," she said.

She noted that the EU "considers that the Americans withdrew from negotiation" by deciding to take the case to the WTO.

BB clarification

If the government borrowing increases in the end of the current fiscal year, Bangladesh Bank can manage this by using its monetary instruments and private sector credit will not be curtailed because of the government borrowing, the central bank said yesterday in a clarification following press reports.

In the end-June, government expenditure may increase due to payment of large number of bills mainly for seasonal rise in annual development programme (ADP) expenditure and some additional payments for salary increase, it said.

Preliminary estimate by Bangladesh Bank shows that central government's net borrowing from the banking system from end-June 2004 to end-May 2005 is still negative, the central bank added.

However, government net borrowing from other sources was positive during the period. Overall government borrowing from all sources remained below the budgeted amount, it explained.

IMF urges budget stimulus to help ROK growth

ANN/ THE KOREA HERALD

Despite showing clear signs of recovery, Korea needs a budget stimulus to help spur growth, the International Monetary Fund said on Tuesday.

A delegation from the Washington-based organisation was here on an eight-day biannual visit to consult government officials on the health of Asia's third-largest economy.

"While we expect a recovery, it is still in the early stages and we don't know if (the recovery) will happen," said Joshua Felman, assistant director of the fund's Asia-Pacific department, who led the six-member team.

Citing future risks, he recommended for the government to push ahead with creating the much-talked-about supplementary budget.

Oil dips on Opec comments

AFP, New York

Crude oil prices fell on world markets Tuesday as the market digested Opec comments suggesting an increase in crude production output and anticipated rising inventories in the United States.

New York's main contract, light sweet crude for delivery in July, fell 73 cents to 53.76 dollars per barrel in closing deals.

In London, the price of Brent North Sea crude oil for delivery in July lost 54 cents to close at 53.76 dollars per barrel.

A key to the decline were comments from the president of the Organization of Petroleum Exporting Countries who said he would propose a 500,000 barrel per day hike in the cartel's output ceiling at a meeting next week if prices remain at high levels.

"If prices continue at this high level, I will, as Opec president,

propose to increase this (production) ceiling by 500,000 barrels per day at the Opec ministers' meeting in Vienna" on June 15, Sheikh Ahmed Fahd al-Sabah, who is also Kuwait's energy minister, told reporters.

However, he said the proposed rise would not add to the 11-member cartel's current actual production because "the real (over) production is already in the market."

"Our real production now is over 30 million barrels per day for the Opec-11... We are already over the ceiling."

John Kilduff, analyst at Fimat USA, said another factor was the resumption of production at the Hovensa refinery in the US Virgin Islands, putting another 100,000 barrels a day into supplies.

"They're obviously trying to put every extra barrel of oil they can on the market," he said.

Fears of a shortage of distillate

products -- used for heating oil -- during the next northern hemisphere winter pushed prices on Monday to highs of 55.55 dollars in New York and 54.62 dollars in London.

But world oil prices fell back as traders expected the US Department of Energy to unveil increases in crude stocks in Wednesday's weekly snapshot of inventories -- forecast to show a jump in distillates.

"Oil prices are lower as the rise on distillates now seems overdone," Sudden broker Robert Montefusco said.

The market consensus forecast was for a rise of 1.3 million barrels of distillates when the US government publishes its latest weekly inventories report on Wednesday.